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ABSTRACT

This report examined changes in the affordability of a college education in Illinois, providing trend data on affordability from fiscal year (FY) 1982 through FY 1998. Affordability was examined for the average income of the three lowest income quintiles of Illinois families. Overall, the report found that public universities and private institutions were less affordable in FY 1998 than in FY 1992 for first, second, and third income quintile families, and that community colleges had become more affordable for families in the first and third income quintiles. It was also found that Illinois Monetary Award Program (MAP) eligibility, measured in constant dollars, decreased for second income quintile students at community colleges and public universities and for third income quintile students at public universities due to additional rationing mechanisms employed in the MAP formula. These results suggest that unless college costs rise at a lesser rate in the next decade, or unless additional grant assistance can be made available, college affordability will significantly decrease for most lower- and middle-income Illinois families. Three appendixes provide tables that track the expected family contribution for college costs of fourth and fifth income quintile families at community colleges, public universities, and private institutions. (MDM)

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ED 422 752

ILLINOIS STUDENT ASSISTANCE COMMISSION

CHANGES IN AFFORDABILITY OF A COLLEGE EDUCATION FOR DEPENDENT STUDENTS IN ILLINOIS

EXECUTIVE SUMMARY

In June of 1998, ISAC completed an update of 1994 and 1996 reports concerning the affordability of a college education in Illinois. For purposes of the reports, affordability was measured as the amount of remaining need, or remaining cost, left for a family of a dependent student after grant aid eligibility and the expected family contribution were subtracted from college costs. Affordability was examined for the average income of the three lowest income quintiles of Illinois families. For FY1998, the average first quintile income was $12,839, the average second quintile income was $30,077, and the average third quintile income was $47,586.

- Overall, the report indicates that **public universities and private institutions were less affordable** in FY1998 than in FY1992 for first, second, and third income quintile families.
- **Community colleges became more affordable** for families in the first and third income quintiles, but less affordable for families in the second income quintile.
- **MAP eligibility, measured in constant dollars, decreased** for second income quintile students at community colleges and public universities and for third income quintile students at public universities due to additional rationing mechanisms employed in the MAP formula.
- Even though the MAP maximum award has increased at a rate greater than inflation, **the purchasing power of the MAP maximum award has diminished** at private institutions since FY1987.
- In FY1998 the **average community college cost represented 38 percent, 16 percent, and 10 percent of the adjusted gross income of first, second, and third income quintile families**, respectively.
- The **average public university cost was equal to 70 percent , 30 percent, and 19 percent of first, second, and third quintile adjusted gross income**, respectively.
- The **average cost of a private institution was equal to 156 percent, 67 percent, and 42 percent of first, second, and third quintile adjusted gross income**, respectively.

Over the time period reviewed in the report, increases in college costs exceeded increases in inflation. Family income for second income quintile families decreased in constant dollar terms, while family income for the third and fourth income quintile families increased only moderately faster than inflation in constant dollar terms. These data suggest that unless college costs rise at a lesser rate in the next decade, or unless additional grant assistance can be made available, college affordability will significantly decrease for most lower- and middle-income families.

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ILLINOIS STUDENT ASSISTANCE COMMISSION

CHANGES IN AFFORDABILITY OF A COLLEGE EDUCATION FOR DEPENDENT STUDENTS IN ILLINOIS

INTRODUCTION

Previous reviews of changes in the affordability of a college education for dependent Illinois students completed in January of 1994 and July of 1996 concluded that for low- to middle-income families with dependent students attending public universities and private institutions in Illinois, a postsecondary education was less affordable in FY1995 than it was in FY1992, and less affordable in FY1992 than it was in FY1982. The 1996 report also indicated that community colleges became more affordable for the lowest-income families between FY1992 and FY1995, but less affordable for middle-income families between FY1992 and FY1995.

This paper focuses on the continuing changes in college costs and the amount of available student financial aid at different family income levels since the last report and through FY1998. The ability of Illinois families at different income levels to meet their educational expenses using a combination of their own resources and available grant aid is developed as the primary measure of the affordability of an Illinois college education. The paper provides the methodology used to analyze affordability, reports the findings, and discusses the implications. Data are also provided on college cost changes over time for community college, public university, and private institution students, changes in family income and the expected family contribution, and changes in federal Pell grant and Illinois Monetary Award Program (MAP) eligibility. The cumulative effect of changes in college costs and family resources on college affordability over recent years, i.e., between FY1992 and FY1998, is examined and comparisons in affordability for dependent families between FY1982 and FY1998 are also shown.

METHODOLOGY

Affordability was assessed by examining the amount of remaining need left for a student after subtracting need-based grant eligibility and the expected family contribution for college from the college cost. Data regarding college costs, expected family contributions, and need-based grant assistance were examined for five years, FY1982 (1981-82 school year), FY1987, FY1992, FY1997 and FY1998. These years were chosen to coincide with available family income data from the Current Population Survey and to show changes over five-year periods of time. FY1998 was used to allow the impact of a significant increase to the Pell grant maximum to be assessed. The Current Population Survey is based on population data from the United States Bureau of the Census. College cost data were used only for those institutions eligible to participate in MAP.

For purposes of this study, college cost was defined to include tuition, fees, room, board, transportation, books and supplies. Specifically, college costs for Illinois public universities and private institutions were defined as the average tuition and fees weighted by full-time equivalent (FTE) enrollment plus weighted room and board plus average transportation, book and supply costs as reported by the College Board's "College Costs & Financial Aid Handbook" for the Midwest region of the United States.

Community college costs included FTE-weighted tuition and fees, plus average board, transportation, books and supplies for Midwest community colleges, also from College Board data. Tuition and fees for FY1998 are preliminary because they are based on Fall 1996 FTE. All 1997-98 costs attributed to the College Board are estimated using the average percentage increase experienced during the three preceding years. Other possible costs that can be incurred when pursuing an education include earnings that a student must forgo while enrolled in school, the cost of child care for students with dependents, and other miscellaneous expenses. No attempt was made to include these costs due to the wide variation in individual student circumstances.

Family income, which is used in assessing need-based grant assistance, was defined as the gross income from all sources for Illinois families with no related subfamilies as reported in Current Population Surveys. The Current Population Survey publishes income data for the previous calendar year in a supplement each March. The March 1997 Current Population Survey supplement, for example, includes family income data for calendar year 1996. Family income data were divided into five equal groups, quintiles, and mean incomes were calculated for each quintile. The first income quintile represents families with incomes in the lowest one-fifth of the population and the fifth income quintile represents families with incomes in the highest one-fifth of the population. Because most concerns about college affordability center on low- to middle-income families, this report focuses on affordability for the first, second, and third income quintile families.

The expected family contribution (EFC) is a measure of the family's ability to pay for college based on income, assets, family size, number in college, and income tax obligations. The EFC does not represent a required contribution from the family, but is a contribution expectation that cannot be replaced with need-based grant aid. For purposes of this study, EFC's were calculated using the mean income for each income quintile and the need analysis formula used to assess eligibility for federal student aid programs. Need analysis, by convention, is based on family income for the calendar year preceding the academic year. Calendar year 1991 income, for example, is used to compute eligibility for FY1993, which encompasses the 1992-93 academic year. Because of the period of time covered by the study, three different need analysis formulas were used. The Uniform Methodology (UM) was used to derive the FY1982 and FY1987 EFC's, the Congressional Methodology (CM) was used to derive FY1992 EFC's, and the Federal Methodology (FM) was used to derive FY1997 and FY1998 EFC's. For purposes of the need analysis, it was assumed that the student was a dependent freshman from a family of four with one in college, and that family assets were equal to or less than the asset protection allowance provided for in the need analysis formulas. For the need analysis calculation, in FY1982, FY1987, and FY1992, the student's contribution calculated by the federal need analysis would have been equal to the minimum $700 student self-help contribution required by the CM and the UM. Because the FM eliminated the $700 minimum student contribution, however, the minimum contribution required by the CM and the UM was excluded from the student's expected contribution for purposes of comparison between all fiscal years in the study.

The amount of need-based grant assistance available for families in this study was defined as the sum of eligibility amounts for Pell and MAP. These two grant programs represent the principal sources of federal and state grant aid to Illinois students. The Federal Supplemental Educational Opportunity Grant (SEOG) was not considered in this analysis as eligibility for the program is considerably more limited than eligibility for Pell and MAP. Institutional aid was not included because criteria for eligibility vary widely from school to school. Pell and MAP eligibility was calculated from the mean income for each income quintile using the Pell methodology and the MAP formula in effect for each of the years studied. It was assumed that all eligible recipients met MAP priority processing guidelines for full-year eligibility.

The relationship between college cost, EFC, Pell and MAP grants was examined to determine whether college became more affordable for first, second, and third income quintile Illinois families between

FY1992 and FY1998. A measure of affordability was calculated for each income quintile by subtracting EFC amounts and the amount of available need-based grant assistance from the amount of college cost. The resulting amount of unmet cost or remaining need was adjusted for inflation using the Consumer Price Index (CPI). The average CPI for 1995, 1996, and 1997 was used to project a CPI for 1998. The projected 1998 CPI was used as the base year for conversion of previous year cost, grant, and EFC data into constant 1998 dollars. Constant dollar conversion allows figures from different years to be compared while controlling for the effects of inflation. Changes in year to year data presented in constant dollar terms can be assumed to be the result of factors other than inflation. For the purposes of this study, a college education was determined to have become more affordable if the unmet cost or remaining need decreased in constant dollar terms between FY1992 and FY1998.

FINDINGS

College Costs

As stated earlier, the cost of a college education was defined in this analysis as the sum of the costs for tuition, fees, room, board, transportation, books and supplies. Room expenses were not included in costs for community colleges. Table 1 shows that in current dollar terms, total college costs increased by 20.9 percent at community colleges, 37.1 percent at public universities, and 36.2 percent at private institutions between FY1992 and FY1998. In constant FY1998 dollar terms, total costs increased 2.3 percent at community colleges, 15.9 percent at public universities, and 15.2 percent at private institutions during this time period. This indicates that while total costs at community colleges grew only slightly faster than the rate of inflation between FY1992 and FY1998, total costs at public universities and private institutions increased about 15 percent faster than the rate of inflation.

Changes in tuition and fees accounted for the majority of the change in total costs at community colleges, public universities, and private institutions. Books and supplies were the second fastest growing item increasing 10.7 percent in terms of constant dollars at community colleges, 12.4 percent at public universities, and 5.4 percent at private institutions. The cost of transportation decreased in constant dollar terms at community colleges and private institutions, and held steady at public institutions. In addition, the cost of board decreased by 6.7 percent at community colleges in constant dollar terms.

Family Income and the Expected Family Contribution

For purposes of this study, affordability was compared for FY1982, FY1987, FY1992, FY1997 and FY1998. As stated earlier, the need analysis formula used to determine eligibility for grant aid for an upcoming school year is based on the previous year's family income. Family income for calendar year 1980 (CY1980), for example, was used in assessing family financial strength for the 1981-82 school year (FY1982). Table 2 shows the mean income for each family income quintile for the relevant calendar years of this study - 1980, 1985, 1990, 1995, and 1996. As indicated earlier, the income levels in the table are reported by the Census Bureau in the March population survey following the calendar year.

Table 2 indicates that first income quintile families earned a mean income of $12,839 in CY1996, while second, third, fourth, and fifth income quintile families earned an average of $30,077,

Table 1: Illinois College Costs by Sector
FY1982, FY1987, FY1992, FY1997, and FY1998

Cost by Sector	Current Dollars						
	FY1982	FY1987	FY1992	FY1997	FY1998	% Change FY92 - FY98	% Change FY82 - FY98
COMMUNITY COLLEGES							
Tuition and Fees*	$539	$791	$1,038	$1,370	$1,451	39.8%	169.2%
Board**	$857	$1,225	$1,628	$1,767	$1,796	10.3%	109.6%
Transportation**	$587	$740	$890	$987	$1,007	13.2%	71.6%
Books and Supplies**	$233	$379	$460	$583	$602	31.0%	158.5%
Total Costs	***$2,216***	***$3,135***	***$4,016***	***$4,707***	***$4,857***	20.9%	119.2%
PUBLIC UNIVERSITIES							
Tuition and Fees*	$1,017	$1,710	$2,538	$3,629	$3,818	50.4%	275.4%
Room and Board*	$2,137	$2,657	$3,194	$3,983	$4,132	29.4%	93.3%
Transportation**	$256	$370	$396	$476	$468	18.3%	83.0%
Books and Supplies**	$235	$375	$449	$575	$597	32.9%	153.9%
Total Costs	***$3,645***	***$5,112***	***$6,577***	***$8,663***	***$9,015***	37.1%	147.3%
PRIVATE INSTITUTIONS							
Tuition and Fees*	$4,154	$6,653	$9,599	$12,859	$13,684	42.6%	229.4%
Room and Board*	$2,448	$3,214	$4,149	$5,064	$5,216	25.7%	113.1%
Transportation**	$293	$375	$479	$523	$532	11.0%	81.5%
Books and Supplies**	$261	$392	$500	$605	$623	24.6%	138.7%
Total Costs	***$7,156***	***$10,634***	***$14,727***	***$19,051***	***$20,055***	36.2%	180.2%

Cost by Sector	Constant FY1998 Dollars***						
	FY1982	FY1987	FY1992	FY1997	FY1998	% Change FY92 - FY98	% Change FY82 - FY98
COMMUNITY COLLEGES							
Tuition and Fees*	$937	$1,162	$1,227	$1,409	$1,451	18.2%	54.9%
Board**	$1,489	$1,800	$1,925	$1,817	$1,796	-6.7%	20.6%
Transportation**	$1,020	$1,087	$1,052	$1,015	$1,007	-4.3%	-1.2%
Books and Supplies**	$405	$557	$544	$600	$602	10.7%	48.8%
Total Costs	***$3,851***	***$4,607***	***$4,749***	***$4,841***	***$4,857***	2.3%	26.1%
PUBLIC UNIVERSITIES							
Tuition and Fees*	$1,768	$2,513	$3,001	$3,732	$3,818	27.2%	116.0%
Room and Board*	$3,714	$3,905	$3,777	$4,096	$4,132	9.4%	11.2%
Transportation**	$445	$544	$468	$490	$468	0.0%	5.3%
Books and Supplies**	$408	$551	$531	$591	$597	12.4%	46.1%
Total Costs	***$6,335***	***$7,512***	***$7,777***	***$8,909***	***$9,015***	15.9%	42.3%
PRIVATE INSTITUTIONS							
Tuition and Fees*	$7,220	$9,777	$11,351	$13,224	$13,684	20.6%	89.5%
Room and Board*	$4,255	$4,723	$4,906	$5,208	$5,216	6.3%	22.6%
Transportation**	$509	$551	$566	$538	$532	-6.1%	4.4%
Books and Supplies**	$454	$576	$591	$622	$623	5.4%	37.3%
Total Costs	***$12,437***	***$15,627***	***$17,415***	***$19,592***	***$20,055***	15.2%	61.2%
CPI	***95.8***	***113.3***	***140.8***	***161.9***	***166.5***	18.3%	73.8%

* Source: ISAC Data Book, 1997, FY1998 figures preliminary, based on Fall 1996 FTE enrollment

** Source: The College Cost Book by College Board. Figures are for Midwest region of United States FY1998 figures projected using average increase over the three prior years.

*** Source: Inflation Measures for Schools, Colleges and Libraries 1997 Update by Research Associates of Washington FY1998 CPI projected using average increase over the three prior years

$47,586, $67,887, and $127,872, respectively. In current dollar terms, family income increases ranged from 18.0 percent to 38.1 percent between CY1990 and CY1996. Table 2 shows, however, that when converted to constant dollars, family income increased slower than the rate of inflation for families in the second income quintile between 1990 and 1996. In constant dollar terms, family income also increased slower than the rate of inflation for families in the first and second income quintiles between 1980 and 1996. In other words, families in the second income quintile were worse off in constant dollar income terms in 1996 than they were in 1990, and families in both the first and second income quintiles were worse off in constant dollar income terms in 1996 than they were in 1980. Families in the third and fourth income quintiles saw modest percentage increases in their income in constant dollar terms from 1990 to 1996, while families in the fifth income quintile enjoyed a rate of increase in income between 1990 and 1996 that was more than 13 percent faster than the rate of inflation.

Table 2: Illinois Gross Family Income
Quintile Means for CY1980, CY1985, CY1990, CY1995 and CY1996

Quintile	Current Dollars					% Change	
	CY1980	CY1985	CY1990	CY1995	CY1996	CY90-CY96	CY80-CY96
First	$6,644	$7,124	$9,836	$12,731	$12,839	30.5%	93.2%
Second	$15,801	$18,981	$25,486	$28,711	$30,077	18.0%	90.3%
Third	$23,167	$28,907	$38,248	$45,529	$47,586	24.4%	105.4%
Fourth	$31,991	$40,482	$53,342	$66,651	$67,887	27.3%	112.2%
Fifth	$51,218	$68,573	$92,565	$127,151	$127,872	38.1%	149.7%
	Constant CY1996 Dollars*					% Change	
First	$13,221	$10,411	$11,964	$13,080	$12,839	7.3%	(2.9%)
Second	$31,442	$27,740	$31,001	$29,498	$30,077	(3.0%)	(4.3%)
Third	$46,100	$42,247	$46,524	$46,777	$47,586	2.3%	3.2%
Fourth	$63,658	$59,163	$64,884	$68,478	$67,887	4.6%	6.6%
Fifth	$101,918	$100,217	$112,595	$130,637	$127,872	13.6%	25.5%

* Inflation measured 21.6 percent, as measured by the CPI, from CY1990 to CY1996, and 98.9 percent between CY1980 and CY1996. Constant dollar figures for income are computed on a 1996 base.

Family income is one factor used to determine a family's EFC. The EFC is a measure of the family's ability to pay for college based on income, assets, family size, number in college, and income tax obligations. Table 3 shows EFC's calculated using the mean income for each of the five income quintiles. As shown in Table 3, the EFC increased for the second, third, fourth, and fifth income quintile from FY1992 to FY1998 in constant dollar terms. The increases ranged from 11.4 percent to 23.2 percent. As a proportion of the average quintile income, the FY1998 EFC represents 4.9 percent, 10.5 percent, 16.3 percent, and 21.6 percent of gross family income for families in the second, third, fourth, and fifth income quintile respectively.

**Table 3: Expected Family Contributions*
FY1982, FY1987, and FY1992-FY1995**

Quintile	Current Dollars					% Change	
	CY1980 FY1982	CY1985 FY1987	CY1990 FY1992	CY1995 FY1997	CY1996 FY1998	FY92-FY98	FY82-FY98
First	$0	$0	$0	$0	$0	0.0%	0.0%
Second	$327	$588	$1,110	$1,200	$1,462	31.7%	347.1%
Third	$1,375	$2,078	$3,416	$4,443	$4,978	45.7%	262.0%
Fourth	$2,987	$4,746	$7,719	$10,719	$11,081	43.6%	271.0%
Fifth	$7,633	$12,377	$19,689	$27,368	$27,617	40.3%	261.8%
	Constant FY1998 Dollars**					% Change	
First	$0	$0	$0	$0	$0	0.0%	0.0%
Second	$568	$864	$1,313	$1,234	$1,462	11.4%	157.4%
Third	$2,390	$3,054	$4,040	$4,569	$4,978	23.2%	108.3%
Fourth	$5,191	$6,974	$9,128	$11,024	$11,081	21.4%	113.5%
Fifth	$13,266	$18,189	$23,283	$28,146	$27,617	18.6%	108.2%

EFCs computed for FY1982 through FY1992 do not reflect $700 minimum expected student contribution which was removed from the federal need analysis as of FY1994.
Inflation increased 18.3 percent, as measured by the CPI, from FY1992 to projected FY1998, and 73.8 percent between FY1982 and projected FY1998.

Grant Assistance

The primary source of federal need-based grant assistance is the Federal Pell Grant. Pell awards calculated for this study are shown in Table 4. As shown in the table, Pell eligibility increased 33.5 percent in constant 1998 dollar terms for first income quintile families at community colleges between FY1992 and FY1998. At public universities and private institutions, however, eligibility for first income quintile families decreased 4.9 percent in constant 1998 dollar terms between FY1992 and FY1998, despite an increase in the current dollar maximum award. Pell eligibility for second income quintile families decreased at all institutions by 0.7 percent between FY1992 and FY1998. Third, fourth, and fifth income quintile families were generally not eligible for Pell assistance.

Table 4:
Pell Awards for First, Second and Third Income Quintile Families
FY1982, FY1987, FY1992, FY1997, and FY1998

Institution Type	CURRENT DOLLARS					% Change	
	FY1982	FY1987	FY1992	FY1997	FY1998	FY92-FY98	FY82-FY98
First Quintile							
Community College	$932	$1,350	$1,710	$2,470	$2,700	57.9%	189.7%
Public University	$1,670	$2,100	$2,400	$2,470	$2,700	12.5%	61.7%
Private Institution	$1,670	$2,100	$2,400	$2,470	$2,700	12.5%	61.7%
Second Quintile							
Community College	$932	$990	$1,150	$1,320	$1,350	17.4%	44.8%
Public University	$946	$990	$1,150	$1,320	$1,350	17.4%	42.7%
Private Institution	$946	$990	$1,150	$1,320	$1,350	17.4%	42.7%
Third Quintile							
Community College	$346	$0	$0	$0	$0	0.0%	(100.0%)
Public University	$346	$0	$0	$0	$0	0.0%	(100.0%)
Private Institution	$346	$0	$0	$0	$0	0.0%	(100.0%)
	CONSTANT FY1998 DOLLARS*					% Change	
First Quintile							
Community College	$1,620	$1,984	$2,022	$2,540	$2,700	33.5%	66.7%
Public University	$2,902	$3,086	$2,838	$2,540	$2,700	(4.9%)	(7.0%)
Private Institution	$2,902	$3,086	$2,838	$2,540	$2,700	(4.9%)	(7.0%)
Second Quintile							
Community College	$1,620	$1,455	$1,360	$1,358	$1,350	(0.7%)	(16.7%)
Public University	$1,644	$1,455	$1,360	$1,358	$1,350	(0.7%)	(17.9%)
Private Institution	$1,644	$1,455	$1,360	$1,358	$1,350	(0.7%)	(17.9%)
Third Quintile							
Community College	$601	$0	$0	$0	$0	0.0%	(100.0%)
Public University	$601	$0	$0	$0	$0	0.0%	(100.0%)
Private Institution	$601	$0	$0	$0	$0	0.0%	(100.0%)

Inflation increased 18.3 percent, as measured by the CPI, from FY1992 to projected FY1998, and 73.8 percent between FY1982 and projected FY1998.

Prior to FY1994, students at commuter institutions, such as community colleges, were unable to receive the maximum Pell award. At that time, Pell eligibility at commuter institutions was limited to no more than a percentage of the Pell-defined cost of attendance. For purposes of this study, community colleges have been assumed to be commuter institutions and public universities and private schools have been assumed to be residential institutions. From FY1982 through FY1986, Pell eligibility at commuter institutions was limited to 50 percent of the Pell-defined cost of attendance and from FY1987 through FY1993, eligibility was limited to 60 percent of the Pell-defined cost of attendance. In FY1994, the commuter award limitations were removed, and eligibility for students at these institutions increased. For FY1998, the Pell maximum increased about 9 percent to $2,700. Despite this increase, however, Pell awards have decreased in constant dollar terms since FY1982 for first income quintile families at residential institutions and for second income quintile families at all institution types.

The primary source of state need-based grant assistance is the Illinois Monetary Award Program (MAP). Table 5 shows that MAP eligibility increased for first income quintile families at all institution types between FY1992 and FY1998 in constant dollar terms. Increases in MAP eligibility for first income quintile families at public institutions between FY1992 and FY1998 reflect ISAC's commitment to providing full MAP awards to students with a zero EFC as computed using FM. At institutions with tuition and fee costs which do not exceed the MAP maximum award, increases in MAP eligibility have occurred at the same rate as increases in tuition and fee costs. Eligibility at other institutions will be limited to the amount of the maximum award. Although the MAP maximum award increased faster than inflation between FY1992 to FY1998, in terms of constant dollars, it is still less in FY1998 than it was in FY1987.

Due to award criteria changes, MAP eligibility for second income quintile families at community colleges decreased 61 percent between FY1992 and FY1998 in constant dollar terms. Third income quintile families attending community colleges remained ineligible for a MAP grant, and third income quintile families attending public universities who were eligible for a partial MAP grant in FY1992 lost all eligibility by FY1997. Families in all three lower-income quintiles remained eligible for a maximum award at private institutions, but again, that amount is less in constant dollars than the level provided in FY1987.

Reductions in MAP eligibility for second income quintile families at community colleges and third income quintile families at public universities were largely the result of ISAC introducing numerous changes to the MAP formula between FY1993 and FY1994. These changes included increasing the minimum expected student contribution and increasing the minimum assessment rate of the adjusted available income (AAI) of dependent parents and independent students with dependents. The minimum expected student contribution is the minimum amount students are expected to be able to contribute toward the cost of their education, for purposes of the MAP award formula. The minimum expected contribution was $1,100 prior to FY1994 and is currently $1,800. The AAI assessment rates were changed in FY1994 to the highest level in the history of MAP. Although subsequent rate changes have been made, the nature of the progressive AAI assessment rate structure has not returned third income quintile families at public universities to the level of support provided by MAP prior to FY1994.

Table 5:
MAP Award Levels for First, Second, and Third Income Quintile Families
FY1982, FY1987, FY1992, FY1997, and FY1998

Institution Type	CURRENT DOLLARS					% Change	
	FY1982	FY1987	FY1992	FY1997	FY1998	FY92-FY98	FY82-FY98
First Quintile							
Community College	$539	$791	$976	$1,370	$1,451	48.7%	169.2%
Public University	$1,017	$1,710	$2,386	$3,629	$3,818	60.0%	275.4%
Private Institution	$1,950	$3,100	$3,290	$4,000	$4,120	25.2%	111.3%
Second Quintile							
Community College	$300	$791	$976	$600	$450	(53.9%)	50.0%
Public University	$1,017	$1,710	$2,386	$2,850	$2,850	19.4%	180.2%
Private Institution	$1,950	$3,100	$3,290	$4,000	$4,120	25.2%	111.3%
Third Quintile							
Community College	$0	$0	$0	$0	$0	0.0%	0.0%
Public University	$0	$450	$282	$0	$0	(100.0%)	0.0%
Private Institution	$1,950	$3,100	$3,290	$4,000	$4,120	25.2%	111.3%
	CONSTANT FY1998 DOLLARS*					% Change	
First Quintile							
Community College	$937	$1,162	$1,154	$1,409	$1,451	25.7%	54.9%
Public University	$1,768	$2,513	$2,822	$3,732	$3,818	35.3%	116.0%
Private Institution	$3,389	$4,556	$3,891	$4,114	$4,120	5.9%	21.6%
Second Quintile							
Community College	$521	$1,162	$1,154	$617	$450	(61.0%)	(13.7%)
Public University	$1,768	$2,513	$2,822	$2,931	$2,850	1.0%	61.2%
Private Institution	$3,389	$4,556	$3,891	$4,114	$4,120	5.9%	21.6%
Third Quintile							
Community College	$0	$0	$0	$0	$0	0.0%	0.0%
Public University	$0	$608	$307	$0	$0	(100.0%)	0.0%
Private Institution	$3,389	$4,556	$3,891	$4,114	$4,120	5.9%	21.6%

* Inflation increased 18.3 percent, as measured by the CPI, from FY1992 to projected FY1998, and 73.8 percent between FY1982 and projected FY1998.

CUMULATIVE EFFECT OF COLLEGE COSTS AND RESOURCES

Community College Affordability

As shown in Table 6, remaining need decreased between FY1992 and FY1998 for first income quintile families at community colleges, indicating that a community college education became more affordable during that period. Specifically, remaining need for first income quintile families decreased in constant dollars from $1,573 in FY1992, to $892 in FY1997, to $706 in FY1998. Increases in both Pell and MAP grant assistance for first income quintile families were greater than the increase in college costs and, as shown in Table 7, allowed first income quintile families to cover 85 percent of their costs with grant assistance.

Table 6 also shows, however, that remaining need increased for second income quintile families, making a community college education less affordable for them in FY1998 than it was in FY1992. Most of the change in remaining need is accounted for by a change in MAP eligibility. Over the period, costs remained fairly steady and the EFC for this group increased by about 11 percent. As discussed earlier, an increase in the minimum expected student contribution in the MAP formula, however, dramatically reduced MAP eligibility for this group and resulted in greater remaining need. FY1998 MAP eligibility for the group decreased to less than 10 percent of expected community college costs as shown in Table 7.

Remaining need decreased for third income quintile families between FY1992 and FY1998, making community colleges more affordable for families in this income quintile. Families in this income quintile were typically not eligible for MAP or Pell between FY1992 and FY1998. As shown in Table 7, the EFC calculated from the mean income of this group is slightly larger than the expected college cost, indicating families in this income quintile might be expected to have sufficient resources to cover educational expenses on their own at lower-cost institutions.

Table 6:
Remaining Need as a Function of College Costs, Expected Family Contribution and Grant Aid at Community Colleges

	Current Dollars					Constant FY1998 Dollars				
	FY1982	FY1987	FY1992	FY1997	FY1998	FY1982	FY1987	FY1992	FY1997	FY1998
1st Quintile:										
Cost	$2,216	$3,135	$4,016	$4,707	$4,857	$3,851	$4,607	$4,749	$4,841	$4,857
-EFC	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Need	$2,216	$3,135	$4,016	$4,707	$4,857	$3,851	$4,607	$4,749	$4,841	$4,857
-Pell	$932	$1,350	$1,710	$2,470	$2,700	$1,620	$1,984	$2,022	$2,540	$2,700
-MAP	$539	$791	$976	$1,370	$1,451	$937	$1,162	$1,154	$1,409	$1,451
Remaining Need	**$745**	**$994**	**$1,330**	**$867**	**$706**	**$1,294**	**$1,461**	**$1,573**	**$892**	**$706**
Family Income	$6,644	$7,124	$9,836	$12,731	$12,839	$13,221	$10,411	$11,964	$13,080	$12,839
2nd Quintile:										
Cost	$2,216	$3,135	$4,016	$4,707	$4,857	$3,851	$4,607	$4,749	$4,841	$4,857
-EFC	$327	$588	$1,110	$1,200	$1,462	$568	$864	$1,313	$1,234	$1,462
Need	$1,889	$2,547	$2,906	$3,507	$3,395	$3,283	$3,743	$3,436	$3,607	$3,395
-Pell	$932	$990	$1,150	$1,320	$1,350	$1,620	$1,455	$1,360	$1,358	$1,350
-MAP	$300	$791	$976	$600	$450	$521	$1,162	$1,154	$617	$450
Remaining Need	**$657**	**$766**	**$780**	**$1,587**	**$1,595**	**$1,142**	**$1,126**	**$922**	**$1,632**	**$1,595**
Family Income	$15,801	$18,981	$25,486	$28,711	$30,077	$31,442	$27,740	$31,001	$29,498	$30,077
3rd Quintile:										
Cost	$2,216	$3,135	$4,016	$4,707	$4,857	$3,851	$4,607	$4,749	$4,841	$4,857
-EFC	$1,375	$2,078	$3,416	$4,443	$4,978	$2,390	$3,054	$4,040	$4,569	$4,978
Need	$841	$1,057	$600	$264	($121)	$1,462	$1,553	$710	$272	($121)
-Pell	$346	$0	$0	$0	$0	$601	$0	$0	$0	$0
-MAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Need	**$495**	**$1,057**	**$600**	**$264**	**($121)**	**$860**	**$1,553**	**$710**	**$272**	**($121)**
Family Income	$23,167	$28,907	$38,248	$45,529	$47,586	$46,100	$42,247	$46,524	$46,777	$47,586

Table 7: EFC, Grant Aid, and Remaining Need as a Proportion of College Costs in Constant FY1998 Dollars for Community Colleges

	Fiscal Year				
	FY1982	FY1987	FY1992	FY1997	FY1998
First Quintile					
Cost	$3,851	$4,607	$4,749	$4,841	$4,857
-EFC	0.0%	0.0%	0.0%	0.0%	0.0%
- Pell	42.1%	43.1%	42.6%	52.5%	55.6%
- MAP	24.3%	25.2%	24.3%	29.1%	29.9%
Remaining Need	33.6%	31.7%	33.1%	18.4%	14.5%
Family Income	$13,221	$10,411	$11,964	$13,080	$12,839
Second Quintile					
Cost	$3,851	$4,607	$4,749	$4,841	$4,857
- EFC	14.8%	18.8%	27.6%	25.5%	30.1%
- Pell	42.1%	31.6%	28.6%	28.0%	27.8%
- MAP	13.5%	25.2%	24.3%	12.7%	9.3%
Remaining Need	29.6%	24.4%	19.4%	33.7%	32.8%
Family Income	$31,442	$27,740	$31,001	$29,498	$30,077
Third Quintile					
Cost	$3,851	$4,607	$4,749	$4,841	$4,857
- EFC	62.0%	66.3%	85.1%	94.4%	102.5%
- Pell	15.6%	0.0%	0.0%	0.0%	0.0%
- MAP	0.0%	0.0%	0.0%	0.0%	0.0%
Remaining Need	22.3%	33.7%	14.9%	5.6%	(2.5%)
Family Income	$46,100	$42,247	$46,524	$46,777	$47,586

Public University Affordability

Public universities became less affordable, as measured in constant dollars, for first income quintile families between FY1992 and FY1998. Table 8 shows that remaining need for first income quintile families increased about $400, or about 18 percent in constant dollar terms, from $2,117 in FY1992 to $2,497 in FY1998. As shown in Table 8 and as discussed earlier, Pell eligibility over the period decreased and Pell grants covered less of a percentage of the increasing total cost of attendance. A 35 percent increase in the MAP award in constant dollar terms, however, from $2,822 in FY1992 to $3,818 in FY1998 played a key role in limiting the decrease in affordability for families in this income quintile. If MAP award eligibility had remained constant from FY1992 to FY1998, families in the first income quintile might have faced an over 60 percent increase in constant dollar remaining need. Because of increase in MAP award eligibility, however, families in the first income quintile were able to meet the same percentage of their costs with grant assistance in FY1998 as they were in FY1992, even though overall affordability decreased.

As shown in Table 8, second income quintile families at public universities faced a 46 percent increase in remaining need from $2,282 to $3,350 in constant dollar terms between FY1992 and FY1998. Combined MAP and Pell eligibility covered a slightly smaller percentage of the cost of attendance and the EFC for families in this income quintile increased about 11 percent. Due to decreased grant eligibility and continuing increases in the cost of attendance, remaining need in constant dollar terms for families in the second income quintile increased from about 29 percent of the cost of attendance in FY1992 to about 37 percent in FY1998.

For third income quintile families, grant eligibility decreased only slightly with a loss of MAP eligibility by FY1997. This loss in MAP eligibility can be attributed to the change in AAI rates that occurred in FY1994. The EFC for families in this income quintile increased about 23 percent in constant dollar terms between FY1992 and FY1998. The lack of grant eligibility and the increase in total cost of attendance resulted in an increase, in constant dollar terms, of about 18 percent in remaining need from $3,404 in FY1992 to $4,037 in FY1998.

Table 9 displays the EFC, grant aid, and remaining need as a proportion of college costs for students attending public universities. This table shows that the proportion of college costs covered by Pell and MAP remained steady for first income quintile families in constant dollar terms between FY1992 and FY1998, decreased for second income quintile families from 54 percent in FY1992 to 47 percent in FY1998, and decreased for third income quintile families from about 4 percent in FY1992 to zero percent in FY1998.

Table 8:
Remaining Need as a Function of College Costs Expected Family Contribution and Grant Aid at Public Universities

	Current Dollars					Constant FY1998 Dollars				
	FY1982	FY1987	FY1992	FY1997	FY1998	FY1982	FY1987	FY1992	FY1997	FY1998
1st Quintile:										
Cost	$3,645	$5,112	$6,577	$8,663	$9,015	$6,335	$7,512	$7,777	$8,909	$9,015
-EFC	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Need	$3,645	$5,112	$6,577	$8,663	$9,015	$6,335	$7,512	$7,777	$8,909	$9,015
-Pell	$1,670	$2,100	$2,400	$2,470	$2,700	$2,902	$3,086	$2,838	$2,540	$2,700
-MAP	$1,017	$1,710	$2,386	$3,629	$3,818	$1,768	$2,513	$2,822	$3,732	$3,818
Remaining Need	**$958**	**$1,302**	**$1,791**	**$2,564**	**$2,497**	**$1,665**	**$1,913**	**$2,117**	**$2,637**	**$2,497**
Family Income	$6,644	$7,124	$9,836	$12,731	$12,839	$13,221	$10,411	$11,964	$13,080	$12,839
2nd Quintile:										
Cost	$3,645	$5,112	$6,577	$8,663	$9,015	$6,335	$7,512	$7,777	$8,909	$9,015
-EFC	$327	$588	$1,110	$1,200	$1,462	$568	$864	$1,313	$1,234	$1,462
Need	$3,318	$4,524	$5,467	$7,463	$7,553	$5,767	$6,648	$6,464	$7,675	$7,553
-Pell	$946	$990	$1,150	$1,320	$1,350	$1,644	$1,455	$1,360	$1,358	$1,350
-MAP	$1,017	$1,710	$2,386	$2,850	$2,850	$1,768	$2,513	$2,822	$2,931	$2,850
Remaining Need	**$1,355**	**$1,824**	**$1,931**	**$3,293**	**$3,353**	**$2,355**	**$2,680**	**$2,282**	**$3,386**	**$3,353**
Family Income	$15,801	$18,981	$25,486	$28,711	$30,077	$31,442	$27,740	$31,001	$29,498	$30,077
3rd Quintile:										
Cost	$3,645	$5,112	$6,577	$8,663	$9,015	$6,335	$7,512	$7,777	$8,909	$9,015
-EFC	$1,375	$2,078	$3,416	$4,443	$4,978	$2,390	$3,054	$4,040	$4,569	$4,978
Need	$2,270	$3,034	$3,161	$4,220	$4,037	$3,945	$4,458	$3,737	$4,340	$4,037
-Pell	$346	$0	$0	$0	$0	$601	$0	$0	$0	$0
-MAP	$0	$450	$282	$0	$0	$0	$661	$333	$0	$0
Remaining Need	**$1,924**	**$2,584**	**$2,879**	**$4,220**	**$4,037**	**$3,344**	**$3,797**	**$3,404**	**$4,340**	**$4,037**
Family Income	$23,167	$28,907	$38,248	$45,529	$47,586	$46,100	$42,247	$46,524	$46,777	$47,586

Table 9: EFC, Grant Aid, and Remaining Need as a Proportion of College Costs in Constant FY1998 Dollars for Public Universities

	Fiscal Year				
	FY1982	FY1987	FY1992	FY1997	FY1998
First Quintile					
Cost	$6,335	$7,512	$7,777	$8,909	$9,015
-EFC	0.0%	0.0%	0.0%	0.0%	0.0%
- Pell	45.8%	41.1%	36.5%	28.5%	30.0%
- MAP	27.9%	33.5%	36.3%	41.9%	42.4%
Remaining Need	26.3%	25.5%	27.2%	29.6%	27.7%
Family Income	$13,221	$10,411	$11,964	$13,080	$12,839
Second Quintile					
Cost	$6,335	$7,512	$7,777	$8,909	$9,015
- EFC	9.0%	11.5%	16.9%	13.9%	16.2%
- Pell	26.0%	19.4%	17.5%	15.2%	15.0%
- MAP	27.9%	33.5%	36.3%	32.9%	31.6%
Remaining Need	37.2%	35.7%	29.4%	38.0%	37.2%
Family Income	$31,442	$27,740	$31,001	$29,498	$30,077
Third Quintile					
Cost	$6,335	$7,512	$7,777	$8,909	$9,015
- EFC	56.9%	54.3%	62.6%	51.3%	55.2%
- Pell	15.6%	0.0%	0.0%	0.0%	0.0%
- MAP	0.0%	8.8%	4.3%	0.0%	0.0%
Remaining Need	33.6%	36.9%	33.1%	48.7%	44.8%
Family Income	$46,100	$42,247	$46,524	$46,777	$47,586

Private Institution Affordability

A private institution education became less affordable at all three lower-income quintiles between FY1992 and FY1998. As shown in Table 10, constant dollar remaining need at private institutions increased from $10,687 in FY1992 to $13,235 in FY1998 for first income quintile families. Remaining need for second and third income quintile families increased from $10,851 in FY1992 to $13,123 in FY1998 and from $9,484 in FY1992 to $10,957 in FY1998, respectively.

Between FY1992 and FY1998, remaining need for first income quintile families at private institutions increased by 24 percent or $2,548 in constant dollar terms. Although MAP grant assistance increased over the period, Pell grant assistance decreased in constant dollar terms for families at this income level. Without an overall increase in grant assistance, the increase in the cost of attendance at private institutions caused a decrease in private institution affordability for first income quintile families.

Remaining need for second income quintile families at private institutions increased about 21 percent, or $2,272, from FY1992 to FY1998. Again, the increase in MAP assistance was not sufficient to offset a constant level of Pell eligibility and the increase in college cost, making private institutions less affordable for second income quintile families. Third income quintile families displayed the smallest remaining need at private institutions of the three lower income quintiles over the time period studied. Third income quintile remaining need also grew at a slower rate than remaining need for first and second income quintile families. Third income quintile families were not eligible for Pell assistance but were able to benefit from the 6 percent constant dollar increase in MAP between FY1992 and FY1998.

Table 11 shows the EFC, grant aid, and remaining need as a proportion of college costs for students attending private institutions. This table shows that the proportion of college costs at private institutions covered by combined Pell and MAP assistance decreased slightly for families at all three lower income quintiles from FY1992 to FY1998 in constant dollar terms. For first income quintile families, the proportion decreased from 39 percent in FY1992 to 34 percent in FY1998. For second income quintile families, the proportion decreased from 30 percent in FY1992 to 27 percent in FY1998. For third income quintile families, the proportion decreased from 22 percent in FY1992 to 21 percent in FY1998. Table 11 also shows that the total cost of attendance for first income quintile families increased as a percentage of family income in constant dollar terms at a faster rate than it did for second and third income quintile families.

Table 10:
Remaining Need as a Function of College Costs
Expected Family Contribution and Grant Aid
at Private Institutions

	Current Dollars					Constant FY1998 Dollars				
	FY1982	FY1987	FY1992	FY1997	FY1998	FY1982	FY1987	FY1992	FY1997	FY1998
1st Quintile:										
Cost	$7,156	$10,634	$14,727	$19,051	$20,055	$12,437	$15,627	$17,415	$19,592	$20,055
-EFC	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Need	$7,156	$10,634	$14,727	$19,051	$20,055	$12,437	$15,627	$17,415	$19,592	$20,055
-Pell	$1,670	$2,100	$2,400	$2,470	$2,700	$2,902	$3,086	$2,838	$2,540	$2,700
-MAP	$1,950	$3,100	$3,290	$4,000	$4,120	$3,389	$4,556	$3,891	$4,114	$4,120
Remaining Need	**$3,536**	**$5,434**	**$9,037**	**$12,581**	**$13,235**	**$6,146**	**$7,985**	**$10,687**	**$12,938**	**$13,235**
Family Income	$6,644	$7,124	$9,836	$12,731	$12,839	$13,221	$10,411	$11,964	$13,080	$12,839
2nd Quintile:										
Cost	$7,156	$10,634	$14,727	$19,051	$20,055	$12,437	$15,627	$17,415	$19,592	$20,055
-EFC	$327	$588	$1,110	$1,200	$1,462	$568	$864	$1,313	$1,234	$1,462
Need	$6,829	$10,046	$13,617	$17,851	$18,593	$11,869	$14,763	$16,102	$18,358	$18,593
-Pell	$946	$990	$1,150	$1,320	$1,350	$1,644	$1,455	$1,360	$1,358	$1,350
-MAP	$1,950	$3,100	$3,290	$4,000	$4,120	$3,389	$4,556	$3,891	$4,114	$4,120
Remaining Need	**$3,933**	**$5,956**	**$9,177**	**$12,531**	**$13,123**	**$6,836**	**$8,753**	**$10,851**	**$12,887**	**$13,123**
Family Income	$15,801	$18,981	$25,486	$28,711	$30,077	$31,442	$27,740	$31,001	$29,498	$30,077
3rd Quintile:										
Cost	$7,156	$10,634	$14,727	$19,051	$20,055	$12,437	$15,627	$17,415	$19,592	$20,055
-EFC	$1,375	$2,078	$3,416	$4,443	$4,978	$2,390	$3,054	$4,040	$4,569	$4,978
Need	$5,781	$8,556	$11,311	$14,608	$15,077	$10,047	$12,573	$13,375	$15,023	$15,077
-Pell	$346	$0	$0	$0	$0	$601	$0	$0	$0	$0
-MAP	$1,950	$3,100	$3,290	$4,000	$4,120	$3,389	$4,556	$3,891	$4,114	$4,120
Remaining Need	**$3,485**	**$5,456**	**$8,021**	**$10,608**	**$10,957**	**$6,057**	**$8,017**	**$9,484**	**$10,909**	**$10,957**
Family Income	$23,167	$28,907	$38,248	$45,529	$47,586	$46,100	$42,247	$46,524	$46,777	$47,586

Table 11: EFC, Grant Aid, and Remaining Need as a Proportion of College Costs in Constant FY1998 Dollars for Private Institutions

	Fiscal Year				
	FY1982	FY1987	FY1992	FY1997	FY1998
First Quintile					
Cost	$12,437	$15,627	$17,415	$19,592	$20,025
-EFC	0.0%	0.0%	0.0%	0.0%	0.0%
- Pell	23.3%	19.7%	16.3%	13.0%	13.5%
- MAP	27.2%	29.2%	22.3%	21.0%	20.6%
Remaining Need	49.4%	51.1%	61.4%	66.0%	65.9%
Family Income	$13,221	$10,411	$11,964	$13,080	$12,839
Second Quintile					
Cost	$12,437	$15,627	$17,415	$19,562	$20,025
- EFC	4.6%	5.5%	7.5%	6.3%	7.3%
- Pell	13.2%	9.3%	7.8%	6.9%	6.7%
- MAP	27.2%	29.2%	22.3%	21.0%	20.6%
Remaining Need	55.0%	56.0%	62.3%	65.8%	65.4%
Family Income	$31,442	$27,740	$31,001	$29,498	$30,077
Third Quintile					
Cost	$12,437	$15,627	$17,415	$19,592	$20,025
- EFC	29.0%	26.1%	27.9%	23.3%	24.9%
- Pell	15.6%	0.0%	0.0%	0.0%	0.0%
- MAP	27.2%	29.2%	22.3%	21.0%	20.6%
Remaining Need	38.9%	44.7%	49.7%	55.7%	54.6%
Family Income	$46,100	$42,247	$46,524	$46,777	$47,586

DISCUSSION AND CONCLUSION

The purpose of this paper was to assess changes in affordability over time for Illinois families and to identify affordability issues for further discussion and action. While changes in affordability are assessed by comparing grant assistance to college costs, it should be noted that college costs are represented by the average cost per sector and may vary at institutions within the same sector. College costs, as defined for this analysis, may not be representative of the actual costs faced by students. For example, no personal or miscellaneous expenses were included. Grant assistance was defined to include only Pell and MAP eligibility and not other forms of student financial aid. While institutional aid is a primary source of gift aid for students attending private institutions, it was not included in this study because eligibility criteria vary from school to school and data are relatively difficult to obtain. In addition, this analysis only looked at dependent student families. Because of dramatic changes in the federal formulas used for independent student eligibility, as well as difficulties involved in categorizing independent student income, a similar comparison of affordability has not been possible to date.

As shown in the study, community college affordability for first income quintile families has been helped by expanded Pell eligibility and ISAC's policy of providing full MAP awards to zero EFC students. While a limited amount of remaining need exists for these students, a portion of that unmet need is met for freshmen who are eligible for the $500 Illinois Incentive for Access (IIA) Program administered by ISAC. In addition, students in the first income quintile will be helped by a $300 increase in the maximum Pell eligibility for FY1999. First income quintile students have many other issues which preclude or hinder college enrollment, as do students at all income levels, but need-based grant aid appears to be reducing some of the financial barriers for first income quintile students at community colleges.

Changes in community college affordability for second income quintile students are of great concern. As shown in the data, MAP eligibility for these students decreased primarily as a result of an increase in the minimum expected student contribution made in FY1994. As discussed, the change in the minimum expected contribution means students are expected to pay more of their educational costs and receive less grant aid. There are at least four options within the MAP formula to increase eligibility for these students. The first is decreasing the expected minimum student contribution to a level closer to that used in FY1994. This would help students who are not already receiving the maximum award and students whose ability to make a contribution toward the cost of their education does not exceed the current expected minimum contribution. The second is to increase the cost of living allowance used in the MAP budget. This would also increase MAP eligibility for students who are not already receiving the maximum award.

A third option would be to reduce the AAI multipliers used in the MAP formula to values nearer those used in the federal methodology. Reducing the lowest assessment rate as well as the rates on higher levels of income would have the most benefit for second income quintile families. A fourth option would be to reduce the Pell estimate used in the MAP formula. Pell is considered a resource in the MAP formula and used to help cover unmet need before a MAP award is determined. As shown in the data, second income quintile families are typically eligible

for Pell awards. If the amount of the Pell estimate used in the MAP formula were to be decreased from 100 percent to a lower percentage rate, MAP eligibility would increase for these students. Independent students who do not have a zero EFC but who have a very low income would also be assisted by reducing the Pell estimate. It is not recommended, however, that Pell be totally eliminated as a resource in the MAP formula. Utilizing Pell as a resource before assigning MAP eligibility appears to have benefitted Illinois students over the period of time examined herein. When Pell grant support dropped off, because of the relationship between the two, MAP eligibility increased for students resulting in a constant level of need-based grant aid support. Careful consideration would need to be given to the effect on overall student grant aid before Pell grants were to be totally removed from the MAP formula.

At public universities, affordability has decreased for all three lower-income quintiles. Any of the options presented to address second income quintile affordability at community colleges, will also help second and third income quintile families at public universities. It is also anticipated that the Hope Scholarship Tax Credit and the Lifetime Learning Tax Credit enacted under the Taxpayer Relief Act of 1997 will help middle income quintile families meet their educational expenses. In order to fully utilize either tax credit, a family must have incurred tuition and fee costs not paid for with grant assistance and must have sufficient tax liability. Due to upper income limits on the ability to claim one of the tax credits, it is expected that middle income quintile families at moderate to high-cost institutions will be the primary beneficiaries of the legislation.

First income quintile families at public universities are in a special situation. MAP grants generally cover tuition and fees at public universities, except for those institutions whose tuition and fees exceed the MAP maximum award and Pell awards are typically used to cover other college costs such as room, board, and supplies. Pell award increases, however, have not kept pace with the increases in these additional educational costs. This has resulted in increasing unmet need. To cover their expected costs, it appears that many first income quintile students must borrow or secure some form of institutional aid. The $300 increase in Pell for FY1999 will help these students. Keeping the MAP maximum at a level equal to or greater than public university tuition and fees would provide further assistance.

A private college education does not seem to be easily affordable for first, second, and third income quintile families, at least not without student loans and substantial institution aid. Even if private institutions were to provide institutional grants equal to 20 or 25 percent of their stated costs, unmet need would still approach $8,000 to $9,000 for first and second income quintile families and $6,000 to $7,000 for third income quintile families. It is important to remember, however, that the measure of private institution affordability developed here is based on the mean weighted tuition and fees for all private institutions. Some private institutions may have substantially lower costs that the average for the sector. No data have been reviewed to determine if first or second income quintile students are more likely to select lower cost private institutions. At least one method of helping needy students at private institutions is through increases to the MAP maximum award. Changing the AAI multipliers to a levels closer to those used in FM or changing other parts of the MAP formula could increase the number of families eligible for MAP awards, however, the average award per family would still be capped by the maximum award amount.

Over the time period reviewed, college costs have continued to exceed inflation. Family income for second income quintile families has decreased in constant dollar terms, while family income for the third and fourth income quintile families has increased only moderately faster than inflation in constant dollar terms. In addition, the family income figure used in this study is gross family income, before taxes and before family subsistence amounts are removed. A comparison of family income to college costs indicates that in FY1998 the average community college cost represented 38 percent, 16 percent, and 10 percent of the income of first, second, and third income quintile families, respectively. The average public university cost was equal to 70 percent , 30 percent, and 19 percent of first, second, and third quintile income, respectively. Further, the average cost of a private institution was equal to 156 percent, 67 percent, and 42 percent of first, second, and third quintile income, respectively. These data suggest that unless college costs rise at a lesser rate in the next decade, or unless additional grant assistance can be made available, college affordability will significantly decrease for most lower and middle income families.

Appendix A:

Remaining Need as a Function of College Costs, Expected Family Contribution and Grant Aid For Fourth and Fifth Quintile Families at Community Colleges

	Current Dollars					Constant FY1998 Dollars				
	FY1982	**FY1987**	**FY1992**	**FY1997**	**FY1998**	**FY1982**	**FY1987**	**FY1992**	**FY1997**	**FY1998**
4th Quintile:										
Cost	$2,216	$3,135	$4,016	$4,707	$4,857	$3,851	$4,607	$4,749	$4,841	$4,857
-EFC	$2,987	$4,746	$7,719	$10,719	$11,081	$5,191	$6,974	$9,128	$11,024	$11,081
Need	($771)	($1,611)	($3,703)	($6,012)	($6,224)	($1,340)	($2,367)	($4,379)	($6,183)	($6,224)
-Pell	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-MAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Need	**($771)**	**($1,611)**	**($3,703)**	**($6,012)**	**($6,224)**	**($1,340)**	**($2,367)**	**($4,379)**	**($6,183)**	**($6,224)**
Family Income	$31,991	$40,482	$53,342	$66,651	$67,887	$63,658	$59,163	$64,884	$68,478	$67,887
5th Quintile:										
Cost	$2,216	$3,135	$4,016	$4,707	$4,857	$3,851	$4,607	$4,749	$4,841	$4,857
-EFC	$7,633	$12,377	$19,689	$27,368	$27,617	$13,266	$18,189	$23,283	$28,146	$27,617
Need	($5,417)	($9,242)	($15,673)	($22,661)	($22,760)	($9,415)	($13,582)	($18,534)	($23,305)	($22,760)
-Pell	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-MAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Need	**($5,417)**	**($9,242)**	**($15,673)**	**($22,661)**	**($22,760)**	**($9,415)**	**($13,582)**	**($18,534)**	**($23,305)**	**($22,760)**
Family Income	$51,218	$68,573	$92,565	$127,151	$127,872	$101,918	$100,217	$112,595	$130,637	$127,872

Appendix B:

Remaining Need as a Function of College Costs, Expected Family Contribution and Grant Aid For Fourth and Fifth Quintile Families at Public Universities

	Current Dollars					Constant FY1998 Dollars				
	FY1982	FY1987	FY1992	FY1997	FY1998	FY1982	FY1987	FY1992	FY1997	FY1998
4th Quintile:										
Cost	$3,645	$5,112	$6,577	$8,663	$9,015	$6,335	$7,512	$7,777	$8,909	$9,015
-EFC	$2,987	$4,746	$7,719	$10,719	$11,081	$5,191	$6,974	$9,128	$11,024	$11,081
Need	$658	$366	($1,142)	($2,056)	($2,066)	$1,144	$538	($1,350)	($2,114)	($2,066)
-Pell	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-MAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Need	**$658**	**$366**	**($1,142)**	**($2,056)**	**($2,066)**	**$1,144**	**$538**	**($1,350)**	**($2,114)**	**($2,066)**
Family Income	$31,991	$40,482	$53,342	$66,651	$67,887	$63,658	$59,163	$64,884	$68,478	$67,887
5th Quintile:										
Cost	$3,645	$5,112	$6,577	$8,663	$9,015	$6,335	$7,512	$7,777	$8,909	$9,015
-EFC	$7,633	$12,377	$19,689	$27,368	$27,617	$13,266	$18,189	$23,283	$28,146	$27,617
Need	($3,988)	($7,265)	($13,112)	($18,705)	($18,602)	($6,931)	($10,676)	($15,505)	($19,236)	($18,602)
-Pell	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-MAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Need	**($3,988)**	**($7,265)**	**($13,112)**	**($18,705)**	**($18,602)**	**($6,931)**	**($10,676)**	**($15,505)**	**($19,236)**	**($18,602)**
Family Income	$51,218	$68,573	$92,565	$127,151	$127,872	$101,918	$100,217	$112,595	$130,637	$127,872

Appendix C:

Remaining Need as a Function of College Costs, Expected Family Contribution and Grant Aid For Fourth and Fifth Quintile Families at Private Institutions

	Current Dollars					Constant FY1998 Dollars				
	FY1982	**FY1987**	**FY1992**	**FY1997**	**FY1998**	**FY1982**	**FY1987**	**FY1992**	**FY1997**	**FY1998**
4th Quintile:										
Cost	$7,156	$10,634	$14,727	$19,051	$20,055	$12,437	$15,627	$17,415	$19,592	$20,055
-EFC	$2,987	$4,746	$7,719	$10,719	$11,081	$5,191	$6,974	$9,128	$11,024	$11,081
Need	$4,169	$5,888	$7,008	$8,332	$8,974	$7,246	$8,653	$8,287	$8,569	$8,974
-Pell	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-MAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Need	**$4,169**	**$5,888**	**$7,008**	**$8,332**	**$8,974**	**$7,246**	**$8,653**	**$8,287**	**$8,569**	**$8,974**
Family Income	$31,991	$40,482	$53,342	$66,651	$67,887	$63,658	$59,163	$64,884	$68,478	$67,887
5th Quintile:										
Cost	$7,156	$10,634	$14,727	$19,051	$20,055	$12,437	$15,627	$17,415	$19,592	$20,055
-EFC	$7,633	$12,377	$19,689	$27,368	$27,617	$13,266	$18,189	$23,283	$28,146	$27,617
Need	($477)	($1,743)	($4,962)	($8,317)	($7,562)	($829)	($2,561)	($5,868)	($8,553)	($7,562)
-Pell	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
-MAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Need	**($477)**	**($1,743)**	**($4,962)**	**($8,317)**	**($7,562)**	**($829)**	**($2,561)**	**($5,868)**	**($8,553)**	**($7,562)**
Family Income	$51,218	$68,573	$92,565	$127,151	$127,872	$101,918	$100,217	$112,595	$130,637	$127,872